Congress of the United States Washington, DC 20515

February 21, 2017

Mr. Spencer Williamson President and Chief Executive Officer Kaléo Pharmaceuticals 111 Virginia Street, Suite 300 Richmond, VA 23219

Dear Mr. Williamson:

We write to ask for answers to recent reports that Kaléo dramatically increased the cost of its naloxone injector device, Evzio, an FDA approved medication used for the emergency treatment of an opioid overdose—from \$690 for a two pack in 2014 to \$4,500 today. As members of congress who have seen firsthand the toll the opioid epidemic has taken on our communities, we cannot sit idly by while life-saving naloxone is priced beyond reach of those that need it.

More than 30,000 Americans are estimated to die each year due to opioid overdoses but naloxone, if administered in time, can reverse the overdose effects of opioids. Evzio was designed to be simple to administer, making it particularly well suited for use by laypersons such as families looking to protect loved ones from overdose. As you no doubt understand, naloxone products are an important part of any community's response to our nation's opioid crisis, and demand for naloxone products has sadly increased significantly in recent years.

Unfortunately, reports indicate Kaléo has responded to the increased need for naloxone devices by raising the price for Evzio by over 600%. In response to press reports about the price increase, Kaléo has argued that the list price is not a "true gauge" for what consumers are actually paying for the device, because program discounts and coupons often leave patients with a low or even zero out-of-pocket cost for Evzio. We are concerned about the impact the high list price may have for those who do not qualify for the program and for state and local entities who hope to purchase large quantities of your product.

To help us understand Kaléo's actions, we would appreciate your response to the following questions which our Senate colleagues have also asked you:

- 1. Please detail your pricing structure for Evzio since the product received FDA approval and provide documentation for why the company has chosen to adjust the pricing structure, including information on any changes to the cost of production of Evzio.
- 2. How many devices does Kaléo set aside for your donation program compared to your total production and how are you ensuring that it meets the demand for devices among first responders, state health departments, and other public entities across the country? Please explain what steps Kaléo has taken to inform consumers of their eligibility for these donation programs.

3. What is the total amount Evzio received in reimbursements from the federal government in the past 12 months? Approximately what percentage of your customers relied on federally funded dollars, through reimbursements or otherwise, to purchase Evzio during that period?

We look forward to working with you to ensure patients across the country have access to this life-saving device.

Sincerely,

Bill Foster

Member of Congress

Gwen Moore

Member of Congress

Marcy Kaptur

Member of Congress

Bobby Rush

Member of Congress

Im Langevin

Member of Congress

Tim Rvan

Member of Congress

Robin Kelly

Member of Congress

Rick Larsen

Member of Congress

Donald Norcross

Member of Congress

Raúl M. Grijalva

Member of Congress

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